



Miami-Dade County Board of County Commissioners

Office of the Commission Auditor

Legislative Analysis

**Internal Management and Fiscal
Responsibility Committee**

March 16, 2006

2:00 PM

Commission Chamber

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**Miami-Dade County Board of County Commissioners
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Legislative Analysis

**Internal Management and Fiscal Responsibility Committee
Meeting Agenda**

March 16, 2006

Written analyses for the below listed items are attached for your consideration in this Legislative Analysis.

Item Number(s)

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| 3C | 3D |
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If you require further analysis of these or any other agenda items, please contact Guillermo Cuadra, Chief Legislative Analyst, at (305) 375-5469.

Acknowledgements--Analyses prepared by:
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LEGISLATIVE ANALYSIS

RESOLUTION AUTHORIZING THE COUNTY MANAGER TO EXECUTE DISASTER RELIEF FUNDING AGREEMENT WITH THE STATE OF FLORIDA RELATED TO HURRICANE WILMA UNDER THE ROBERT T. STAFFORD DISASTER RELIEF AND EMERGENCY ASSISTANCE ACT §§ 42 U.S.C. 5121-5206 (THE "STAFFORD ACT") AND ALL RELATED DOCUMENTS THROUGH HIS DESIGNATED AGENTS ON BEHALF OF THE COUNTY

Finance Department

I. SUMMARY

This resolution authorizes the County Manager to enter into a disaster relief funding agreement (FEMA-1609-DR-FL) with the State of Florida, relating to reimbursement of costs associated with Hurricane Wilma, in order to comply with the provisions of the federal Robert T. Stafford Disaster Relief and Emergency Assistance Act (the "Stafford Act").

II. PRESENT SITUATION

The following are excerpts from "A Guide to the Disaster Declaration Process and Federal Disaster Assistance" (a publication by FEMA)

In 1988, the Robert T. Stafford Disaster Relief and Emergency Assistance Act was enacted to support State and local governments and their citizens when disasters overwhelm them. This law, as amended, establishes a process for requesting and obtaining a Presidential disaster declaration, defines the type and scope of assistance available from the Federal government, and sets the conditions for obtaining that assistance. The Federal Emergency Management Agency (FEMA), now part of the Emergency Preparedness and Response Directorate (EPR) of the Department of Homeland Security, is tasked with coordinating the response.

THE DECLARATION PROCESS

The Stafford Act requires that: "All requests for a declaration by the President that a major disaster exists shall be made by the Governor of the affected State."

The Governor's request is made through the regional FEMA Emergency Preparedness and Response office. State and Federal officials conduct a preliminary damage assessment (PDA) to estimate the extent of the disaster and its impact on individuals and public facilities. This information is included in the Governor's request to show that the disaster is of such severity and magnitude that effective response is beyond the capabilities of the State and the local governments and that Federal assistance is necessary. Normally, the PDA is completed prior to the submission of the Governor's request. However, when an obviously severe or catastrophic event occurs, the Governor's

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request may be submitted prior to the PDA. Nonetheless, the Governor must still make the request.

As part of the request, the Governor must take appropriate action under State law and direct execution of the State's emergency plan. The Governor shall furnish information on the nature and amount of State and local resources that have been or will be committed to alleviating the results of the disaster, provide an estimate of the amount and severity of damage and the impact on the private and public sector, and provide an estimate of the type and amount of assistance needed under the Stafford Act. In addition, the Governor will need to certify that, for the current disaster, State and local government obligations and expenditures (of which State commitments must be a significant proportion) will comply with all applicable cost-sharing requirements.

Based on the Governor's request, the President may declare that a major disaster or emergency exists, thus activating an array of Federal programs to assist in the response and recovery effort.

ASSISTANCE AVAILABLE

Not all programs, however, are activated for every disaster. The determination of which programs are activated is based on the needs found during damage assessment and any subsequent information that may be discovered.

FEMA/EPR disaster assistance falls into three general categories:

- Individual Assistance - aid to individuals and households;
- Public Assistance - aid to public (and certain private non-profit) entities for certain emergency services and the repair or replacement of disaster-damaged public facilities;
- Hazard Mitigation Assistance - funding for measures designed to reduce future losses to public and private property.

Some declarations will provide only individual assistance or only public assistance. Hazard mitigation opportunities are assessed in most situations.

PUBLIC ASSISTANCE

Public Assistance, oriented to public entities, can fund the repair, restoration, reconstruction, or replacement of a public facility or infrastructure, which is damaged or destroyed by a disaster.

Eligible applicants include State governments, local governments and any other political subdivision of the State, Native American tribes and Alaska Native Villages. Certain private nonprofit (PNP) organizations may also receive assistance. Eligible PNPs include educational, utility, irrigation, emergency, medical, rehabilitation, and temporary or permanent custodial care facilities (including those for the aged and disabled), and other

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PNP facilities that provide essential services of a governmental nature to the general public. PNPs that provide "critical services" (power, water--including water provided by an irrigation organization or facility, sewer, wastewater treatment, communications and emergency medical care) may apply directly to FEMA/EPR for a disaster grant. All other PNPs must first apply to the Small Business Administration (SBA) for a disaster loan. If the PNP is declined for a SBA loan or the loan does not cover all eligible damages, the applicant may re-apply for FEMA/EPR assistance.

As soon as practicable after the declaration, the State, assisted by FEMA/EPR, conducts the Applicant Briefings for State, local and PNP officials to inform them of the assistance available and how to apply for it. A Request for Public Assistance must be filed with the State within 30 days after the area is designated eligible for assistance. Following the Applicant's Briefing, a Kickoff Meeting is conducted where damages will be discussed, needs assessed, and a plan of action put in place. A combined Federal/State/local team proceeds with Project Formulation, which is the process of documenting the eligible facility, the eligible work, and the eligible cost for fixing the damages to every public or PNP facility identified by State or local representatives. The team prepares a Project Worksheet (PW) for each project. Projects fall into the following categories:

- Category A: Debris removal
- Category B: Emergency protective measures
- Category C: Road systems and bridges
- Category D: Water control facilities
- Category E: Public buildings and contents
- Category F: Public utilities
- Category G: Parks, recreational, and other

For insurable structures within special flood hazard areas (SFHA), primarily buildings, assistance from FEMA/EPR is reduced by the amount of insurance settlement that could have been obtained under a standard NFIP policy. For structures located outside of a SFHA, FEMA/EPR will reduce the amount of eligible assistance by any available insurance proceeds.

FEMA/EPR reviews and approves the PWs and obligates the Federal share of the costs (which cannot be less than 75 percent) to the State. The State then disburses funds to local applicants.

Projects falling below a certain threshold are considered 'small.' The threshold is adjusted annually for inflation. For fiscal year 2003, that threshold is \$53,000. For small projects, payment of the Federal share of the estimate is made upon approval of the project and no further accounting to FEMA/EPR is required. For large projects, payment is made on the basis of actual costs determined after the project is completed; although interim payments may be made as necessary. Once FEMA/EPR obligates funds to the State, further management of the assistance, including disbursement to subgrantees is the responsibility of the State. FEMA/EPR will continue to monitor the recovery progress to ensure the timely delivery of eligible assistance and compliance with the law and regulations.

III. POLICY CHANGE AND IMPLICATION

This resolution maintains County policy of seeking federal assistance in addressing the costs associated with natural disasters, such as hurricanes.

IV. ECONOMIC IMPACT

The resolution will allow the County to seek reimbursement for millions of dollars of disaster relief stemming from Hurricane Wilma. Following the significant impacts of Hurricane Katrina on August 24, 2005 and Hurricane Rita on September 18, 2005, Miami-Dade County executed a similar disaster relief funding agreements (FEMA-DR-1602-FL) and (FEMA-3259-EM-FL) in order to receive funding assistance.

Miami-Dade County is eligible for federal funds for disaster relief activities related to emergency protective measures under the Stafford Act, estimated more than \$200 million.

V. COMMENTS AND QUESTIONS

Federal disaster assistance is particular to each disaster. This resolution applies only to Hurricane Wilma.

LEGISLATIVE ANALYSIS

RESOLUTION APPROVING LOAN IN AGGREGATE PRINCIPAL AMOUNT OF \$5,000,000 FROM SUNSHINE STATE GOVERNMENTAL FINANCING COMMISSION FOR PURPOSE OF PAYING COST OF CERTAIN INFRASTRUCTURE DEVELOPMENT FOR NARANJA LAKES COMMUNITY REDEVELOPMENT DISTRICT; AUTHORIZING FINANCE DIRECTOR TO APPROVE FINAL DETAILS OF LOAN WITHIN CERTAIN PARAMETERS; AND PROVIDING CERTAIN OTHER MATTERS IN CONNECTION WITH SUCH LOAN.

Finance Department

I. SUMMARY

This resolution authorizes the County to borrow up to \$5 million from the Sunshine State Governmental Financing Commission (“Sunshine Commission”) as a second loan for constructing certain capital infrastructure improvements on behalf of the Naranja Lakes Community Redevelopment Agency (“Naranja Lakes CRA”).

The resolution also authorizes the Finance Director to approve all final details of the Loan Agreement, after consulting with the Office of the County Attorney.

II. PRESENT SITUATION

The Sunshine Commission was created by inter-local agreements among various counties and municipalities in Florida, pursuant to Chapter 163, Part 1, Florida Statutes. The Sunshine Commission enables Governmental Units to benefit from larger scale financing. It also provides a funding mechanism for the acquisition of property, equipment, other capital needs and refunding of higher interest rate debt.

Ordinance No. 04-115 enacted by the Board on June 8, 2004, established an aggregate amount of up to \$120 Million in Sunshine Loans for the following:

- Acquiring capital equipment for the Miami-Dade Transit Department; and
- Constructing capital infrastructure improvements to be built in two phases over a five year period for the Naranja Lakes CRA in an amount not to exceed \$20 Million.
- The \$100 Million loan for the Miami-Dade Transit Department was closed in September 2004.

Pursuant to Ordinance No. 04-115, the Board is required to approve each loan for each phase of the Naranja Lakes CRA improvements by separate loan resolutions. The Board approved a loan for \$5 million for the initial part of phase one in Resolution No. 845-04 on July 13, 2004.

III. POLICY IMPLICATIONS

The resolution represents a continuation of the County’s policy to finance capital projects at low interest rates through the Sunshine Commission.

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IV. ECONOMIC IMPACT

The loan will be secured by the County's covenant to budget and appropriate from available non-ad valorem County revenues. However, it is anticipated that payment of the loan will be made from bond proceeds to be issued by the Naranja Lakes CRA and secured by its tax increment revenues, or from tax increment revenues directly.

V. COMMENTS AND QUESTIONS

The Naranja Lakes CRA was formed in 2002. The Primary Redevelopment Project is known as Mandarin Lakes Traditional Neighborhood Development Project and has an estimated budget of \$18 Million divided into two phases over a five year period.

- Phase One is approximately \$10 Million;
- Phase Two is approximately \$8 Million.